

Minutes of the Finance Committee

Wednesday, April 20, 2011

Chair Haukohl called the meeting to order at 8:30 a.m.

Present: Supervisors Pat Haukohl (Chair), Ted Rolfs, Bill Zaborowski, Dave Falstad, Jim Heinrich, and Pamela Meyer. Rolfs left the meeting at 10:45 a.m. **Absent:** Rob Hutton.

Also Present: Chief of Staff Mark Mader, UW Cooperative Extension Director Jerry Braatz, Senior Financial Analyst Bill Duckwitz, Deputy Inspector Eric Severson, Sheriff Dan Trawicki, Business Manager Lyndsay Johnson, Administration Director Norm Cummings, Public Finance Director of Baird Bradley Viegut, Accounting Services Manager Larry Dahl, County Board Supervisor Dave Swan, Internal Audit Manager Lori Schubert, Parks & Land Use Director Dale Shaver, Enterprise Operations Manager Andy Thelke, Expo Center Manager Terry Adlam, Fair Association Board President Jim Renn, Waukesha County Fair Association Executive Director Shari Black, Land Information Systems Manager Don Dittmar, Senior Financial Analyst Clara Daniels, Budget Manager Keith Swartz, and Senior Financial Analyst Vince Masterson. Recorded by Mary Pedersen, County Board Office.

Approve Minutes of 4-6-11

MOTION: Rolfs moved, second by Zaborowski to approve the minutes of April 6. Motion carried 6-0.

Ordinance 166-O-007: Modify The Waukesha County UW-Extension Budget To Accept And Appropriate Community Partner Contributions And Donations To Carry Out The County's 2011 Prescription Drug Collection

Braatz discussed this ordinance which allows UW-Extension to conduct a Prescription Drug Collection Program this spring at an estimated cost of \$21,000 to be funded with State grant funds and community partner contribution and donations. The department's budget already includes \$15,000 for this project and this ordinance authorizes the department to accept and appropriate an additional \$6,000 in community contributions and donations. ProHealth Care donated \$5,000 and other community partners contributed at least \$1,000.

In addition, contracted Drug Free Communities Coalition coordinators estimate that the County and other local agencies and individuals are projected to contribute in-kind (i.e., non-cash) services valued at around \$30,000 which includes law enforcement support, marketing design and distribution, time working at collection site, building usage, and planned meetings.

MOTION: Rolfs moved, second by Zaborowski to approve Ordinance 166-O-007. Motion carried 6-0.

Ordinance 166-O-008: Accept Joint Federal Justice Assistance Grant And Modify Waukesha County Sheriff Department's 2011 Budget To Authorize Grant Expenditures

Trawicki, Severson, and Johnson were present to discuss this ordinance which authorizes the Sheriff's Department to appropriate \$5,000 of federal grant funds in partnership with the City of Waukesha Police Department. The City will act as the fiscal agent and will provide the funds as a

condition of receiving a City of Waukesha grant award. The funds will be used to purchase gas masks for the jail and safety masks for patrol to enhance law enforcement operations. Trawicki said typically each year, the department partners with the City of Waukesha for this grant and the City handles the application process.

MOTION: Heinrich moved, second by Falstad to approve Ordinance 166-O-008. Motion carried 6-0.

Contract Procurement Process for Armored Car for Tactical Use

Severson advised the contract was awarded to Lenco Armored Vehicles, the highest rated proposer, for a total contract cost of \$257,051. The budgeted amount was \$260,000. A total of five vendors submitted RFP's for consideration four of which were unable to meet specifications. Trawicki indicated \$200,000 of the budgeted amount are grant funds and \$60,000 are seized funds.

To answer Haukohl's question, Severson said Lenco was able to meet all specifications. Trawicki added that if they had not, the evaluation committee would not have chosen them.

MOTION: Heinrich moved, second by Falstad to approve the contract procurement process for an armored car for tactical use. Motion carried 6-0.

Ordinance 166-O-009: Authorize The Issuance Of Not To Exceed \$19,900,000 General Obligation Promissory Notes For Capital Projects And Refunding Purposes

Viegut distributed summaries of the recommended financing plan which he reviewed in detail. Cummings and Viegut discussed this ordinance which authorizes the issuance of up to \$19.9 million of general obligation promissory notes to fund \$10 million of 2011 capital projects and \$9.9 million to refinance a portion of the County's outstanding debt, originally issued in 2003 and 2004. The refinancing will not extend the County's obligations into years beyond the original schedule, but will reduce future scheduled debt payments by an estimated average of \$87,000 each year through 2014 by taking advantage of estimated lower interest rates. This assumes issuing debt at an average estimated rate of 1.46% True Interest Cost (TIC) to retire existing debt (3-year rate). The County's financial advisor has estimated that approximately \$255,600 on a net present value basis (i.e. in 2011 dollars) may be saved net of expenses over the period 2011-2014. Future costs savings are converted to current 2011 dollars to recognize the true savings at the time the refunding occurs. Savings could be somewhat greater since the County can take advantage of piggybacking the refinance on its regular issue for the 2011 capital project budget. Viegut said he conservatively estimates bids for the \$19.9 million will come in around 2.56% and will occur June 28, 2011.

MOTION: Rolfs moved, second by Falstad to approve Ordinance 166-O-009. Motion carried 6-0.

Ordinance 166-O-010: Approve Waukesha County Pick-Up of Employee Retirement Contributions Pursuant to IRC §414(H)(2)

Cummings discussed this ordinance as outlined. If and when Act 10 is enacted at the State level, employees will be required to pay 5.8% of their gross pay into their retirement funds. The Internal Revenue Code permits public employers to "pick up" contributions to a governmental pension plan that are designated as employee contributions so that they may be paid for on a pre-tax basis and thereby excluded from an employee's taxable income provided the contributions are paid by the employer in lieu of contributions by the employee, and the employee may not elect, directly or indirectly, to receive the amounts instead of having them paid by the employer.

Cummings advised an amendment may be needed, based on an opinion by a law firm, to make this effective after Act 10 becomes law in the event changes are made by the Legislature. Corporation Counsel Tom Farley is looking into this and the Personnel Committee may be asked to amend the ordinance when they consider it on April 26. Rolfs asked why would that affect it at all if this is based on Internal Revenue Code and you go back to 1% and it's ruled unconstitutional, why can't they still make the 1% contribution? Cummings agreed and said he wants Corporation Counsel to look into this. Dahl noted that multiple law firms agree with Rolfs. Furthermore, Rolfs felt it was inadvisable to tie anything to Act 10 whereby Cummings said that is what they may decide.

Cummings noted that other counties, such as Dane and LaCrosse, have passed similar ordinances.

MOTION: Rolfs moved, second by Zaborowski to approve Ordinance 166-O-010. Motion carried 6-0.

Cash Handling Procedures and Policies

Schubert and Dahl were present to discuss this item. Dahl distributed copies of "Summary of Point of Sale Cash Controls." Dahl said the "enterprise" solution for a Countywide cashiering system, currently being implemented, will cover 95% of point-of-sale cashiering. The system will allow for standardization and make it easier for Internal Audit processes. It also creates a single interface with our central financial system. Schubert briefly reviewed the implementation status for each department involved and said staff are hopeful Countywide cashiering will be mostly implemented in 2012. Cummings advised of potential delays due to two key Information Technology/Health & Human Services employees leaving County employment.

Dahl noted that Falstad had raised concerns previously with remote locations such as the parks and the Aging & Disability Resource meal centers. Dahl said Parks staff worked closely with Schubert last year to address these concerns, tweak some existing controls, and add new ones as suggested by Schubert. Dahl went on to discuss cashiering procedures as outlined in his handout for the parks as they relate to daily entrance, annual stickers, camping, boat launch, and drop tank, and for the meal centers. No concerns were raised by committee members. Falstad praised the procedures and changes that have been put in place considering, he said, no system is perfect.

Ordinance 166-O-003: Adopt Three Year Agreement Between Waukesha County And The Waukesha County Fair Association For Holding The Waukesha County Fair At The Waukesha County Exposition Center For The Years 2011 Through 2013

Thelke, Shaver, and Adlam were present to discuss this ordinance which authorizes the Parks & Land Use Department to enter into a new lease agreement with the Waukesha County Fair Association (WCFA) for use of the Expo Center facility and grounds to operate the County Fair for three years.

Under the terms of the agreement, the WCFA will make fixed base rental payments and repay \$41,300 that the WCFA was unable to pay for 2010. The WCFA will pay the County 15% of total food and beverage sales during the contract period. The WCFA will also provide some site cleanup and equipment rental of certain items previously funded by the County which results in an estimated \$10,000 in savings each year. Rental payments to the County for 2011 through 2013 are \$35,000; \$40,000; and \$45,000 respectively. Estimated food and beverage commissions to the County for 2011 through 2013 total \$13,100; \$13,200; and \$13,400 respectively.

Mader noted that a correction was made to the agreement prior to this ordinance going to committee. Added to the end of item 2 under section 18, page 12 was “starting with the 2012 Fair.”

MOTION: Heinrich moved, second by Falstad to approve Ordinance 166-O-003. Motion carried 6-0.

Ordinance 166-O-005: Modify Capital Project 201119 To Add 2011 Revenue And Expenditures For The Light Detection And Ranging (LIDAR) Data Collection Portion Of The Project

Dittmar discussed this ordinance which allows the Parks & Land Use Department to accept a \$204,520 grant from the Community Development Block Grant Emergency Assistance Program for Light Detection and Ranging (LIDAR) technology. Dittmar said this project will allow the recording of elevation data using radar to generate floodplain maps and do floodplain mapping studies. This project had been planned for 2015 with funds coming out of the Land Information Program Fund balance. The grant will allow the project to begin this year. Dittmar noted that \$6,000 is included in the grant to cover the cost of an accuracy report. This report is required by FEMA as a quality control check. The maps will be FEMA certified for floodplain mapping but also for watershed mapping that Land Conservation wants to do. Dittmar described the accuracy of this technology as “amazing.”

MOTION: Falstad moved, second by Meyer to approve Ordinance 166-O-005. Motion carried 6-0.

Ordinance 166-O-006: Amend Waukesha County Capital Project 200918 Energy Efficiency And Conservation Block Grant Implementation For Additional Project Revenues And Expenditures

Shaver explained this ordinance which allows the Parks & Land Use Department to increase revenues and expenditures to this capital project by \$120,000 from energy rebate revenues received. The funds will be used for energy efficient lighting changes around the County campus. Most of it will be dedicated to exterior lighting. A consultant has been retained to inventory our exterior lighting at all County facilities, including parking lots. The first lighting project will begin at the Expo Center in the next couple of weeks, both interior and exterior. Shaver noted the lighting bids have been coming in under the consultant’s estimated cost which should allow them to complete more projects than originally anticipated.

MOTION: Heinrich moved, second by Zaborowski to approve Ordinance 166-O-006. Motion carried 6-0.

Rolfs left the meeting at 10:45 a.m.

Year-End Report on Special Revenue Funds

Swartz discussed his report entitled “2010 Year-End Budget Monitoring Summary Report – Special Revenues” as outlined and advised of some corrections. Year-end results (excluding Community Development Block Grant and Tarmann Fund) showed under budget spending by \$3.5 million or 4.6%. The major Health & Human Services Fund results versus budget were favorable by \$2.5 million mainly due to under-spending for alternate care placements of children, state mental health and juvenile corrections institutional costs by \$1.8 million, and overachieving revenues by \$1.0 million. Also, the Mental Health Center Fund (inpatient hospital) showed favorable year-end

results by \$410,000 largely due to achieved higher than budgeted client fee revenues of \$290,000. Furthermore, the Aging & Disability Resource Center grant fund showed favorable year-end results by \$356,000 mainly due to under-budget spending of operating and personnel costs by \$653,000, partially offset by revenues of \$297,000 below the anticipated budget level. The Transportation Fund showed favorable year-end results by \$162,000 largely due to lower-than-budgeted use of road salt and lower prices. Swartz went on to review each of the funds as written in the report.

MOTION: Zaborowski moved, second by Falstad to accept the 2010 year-end report on Special Revenue funds. Motion carried 5-0.

Schedule Next Meeting Dates

- May 4 and 18

Chair's Executive Committee Report of 4-18-11

Haukohl highlighted the following items discussed at the last Executive Committee meeting.

- Discussed redistricting and approved the proposed map/districts as presented.
- Discussed capital projects 2010 year end report.
- Approved the ordinances and appointments that were included in the last set of referrals.
- Cummings and Swartz gave a report on proposed State budget impacts on Waukesha County.
- A study committee is looking at possible cost-effective alternatives to Juvenile Center programming.
- The Health & Human Services Board's public hearing will be held on April 21 at the Expo Center.
- On May 2, the Executive Committee will meet with State legislators to discuss State budget concerns. Chair Dwyer approved attendance for all County Board members to attend if they so choose.

MOTION: Heinrich moved, second by Falstad to adjourn at 11:31 a.m. Motion carried 5-0.

Tour of the Waukesha County Communications Center

Following completion of the above-listed agenda items, three committee members toured the Waukesha County Communications Center.

Respectfully submitted,

Pamela Meyer
Secretary